

**MINUTES
REGULAR MEETING
UTILITY SERVICE BOARD
MAY 19, 2014**

The Regular Meeting of the Utility Service Board of the City of Jasper, Indiana, was held in the Council Chambers of City Hall in Jasper at 7:00 PM on Monday, May 19, 2014.

The meeting was called to order by Chairman Wayne Schuetter.

UPON CALL OF THE ROLL, THE FOLLOWING WERE PRESENT:

Wayne Schuetter – Chairman
Rick Stradtner – Vice Chairman
Doug Schulte – Secretary
Alex Emmons – Wastewater Commissioner
Ken Sendelweck – Electric Commissioner
Dave Hurst – Water Commissioner
Keith Masterson – Gas Commissioner

ALSO PRESENT:

Jerry Schitter – Electric Distribution Manager
Ernie Hinkle – Gas & Water Manager
Ed Hollinden – Wastewater Manager
Bud Hauersperger – General Manager
Renee Kabrick – City Attorney
Ashley Kiefer – Office Manager

PLEDGE OF ALLEGIANCE (DVD-00:38)

Chairman Wayne Schuetter led the Pledge of Allegiance.

APPROVAL OF MINUTES (DVD-01:00)

Chairman Wayne Schuetter presented the minutes of the April 21, 2014 Regular Meeting and the May 6, 2014 Special Meeting and there being no corrections or amendments, asked for a motion to approve the minutes. Rick Stradtner made a motion to approve the minutes of the meetings as presented. Keith Masterson seconded the motion. Motion approved, 7-0.

TRANSFORMERS USED FOR METERING (DVD-01:28)

Jerry Schitter informed the Board that they discovered 13 potential small transformers to scrap in the warehouse when they were moving things around. These transformers were purchased around the 1970's and were used for reducing voltage, and are no longer used. They are now collecting dust in the warehouse. Schitter would like to deem them as surplus and eventually sell them as scrap.

Alex Emmons made a motion to deem the 13 transformers as surplus and sell them for scrap value. Doug Schulte seconded the motion. Motion approved, 7-0.

ELECTRIC PLANNING COMMITTEE REPORT (DVD-3:42)

Ken Sendelweck, Chairman of the Electric Planning Committee, stated that the Committee did meet on May 12, 2014. At the meeting the Committee discussed the additional information requested by the City from H.J. Umbaugh regarding the Electric rate study. Umbaugh suggested two alternatives, a 6% increase and an 8% increase. The 6% increase assumes an annual allowance for replacement and improvements based on the Utility Capital Improvement Plan. The 8% increase assumes replacement and improvements equal to test year depreciation expenses.

The Committee also discussed the tracker method the City uses. The tracker calculation has not been updated since our move from Vectren to IMPA, which was about 6 years ago. IMPA's tracker method is quarterly, which makes it more consistent than, and not as volatile as our current monthly tracker method.

The proposed rate increase does not include the Power Plant project or any litigation costs. The rate increase is due to inflation costs. The Committee recommends a 6% Electric rate increase, which computes to 1% per year over the last 6 years since our last rate increase. The Committee also recommends changing the tracker method to the quarterly IMPA tracker method.

Alex Emmons made a motion to change the current tracker method to the quarterly IMPA tracker method. Keith Masterson seconded the motion. Motion approved, 7-0.

Ken Sendelweck made a motion to approve Resolution USB 2014-1, which amends the City's Electric rates and charges and institutes a 6% rate increase. Dave Hurst seconded the motion. Motion approved, 7-0.

WATER & SEWER MODELING SOFTWARE (DVD-11:53)

Chad Hurm, City Engineer, explained the need for Water and Sewer modeling software to the Board. Hurm stated that there are two versions of the software, one for Water and one for Sewer. Hurm said that extensive research was done on the different modeling software available. Hurm had several conferences with software developers and video demonstrations. As a result of the information presented, Hurm, along with Ed Hollinden, Ernie Hinkle, and Bud Hauersperger decided to get quotes on Water and Sewer CAD software.

The developer of the CAD software is Bentley Systems, Inc. The quote for the Water CAD software is \$9,891.37 for 5,000 pipes. The quote for the Sewer CAD software is also \$9,891.37 for 5,000 pipes. In addition to these costs there are annual subscription fees per license agreement. The Select subscription package, which includes annual 24 hour, 7days a week technical support, software updates and network licensing, is \$2,380.95 per license. Two licenses will be needed, one for Water and one for Sewer. The price for the software and the annual subscription, per license, will be \$12,272.32. Both Water and Sewer Departments will incur the \$12,272.32 cost. There was a \$507 discount on the software and a \$122 discount on the subscriptions for buying both Water and Sewer at the same time. Hurm also stated that the

Engineering Department will cover the \$2,995 in training cost on the software. This cost does include both Water and Sewer and is an annual fee.

Attorney Kabrick stated that only one quote was needed and received due to Bentley being the sole developer and provider of the specific software needed.

Ken Sendelweck made a motion to approve the Water CAD software and subscription package from Bentley Systems, Inc. for a total of \$12,272.32. Doug Schulte seconded the motion. Motion approved, 7-0.

Rick Stradtner made a motion to approve the Sewer CAD software and subscription package from Bentley Systems, Inc. for a total of \$12,272.32. Keith Masterson seconded the motion. Motion approved, 7-0.

RESULTS OF BID OPENING FOR UV EQUIPMENT (DVD-21:40)

Derick Wiggins from Midwestern Engineers explained the two bids received on May 6th at the Special meeting for the UV Equipment. The low bidder for the project was Trojan Technologies for the amount of \$262,400. The only other bidder for the project was Calgon Carbon, and their bid amount was \$292,181. The equipment used for the bids varied by the bidder. The specifications in the bid stated to meet treatment requirements.

Midwestern did a present worth analysis to compare both bids more accurately. Trojan's present worth analysis was \$11,000 higher than Calgon's. Midwestern also did an equipment replacement cost analysis over a 20 year period. Trojan was lower by approximately \$30,000. Midwestern then compared the actual capital costs to install one unit. Calgon was higher by approximately \$70,000. After comparing all the costs, the bottom line is that Trojan Technologies is the lower cost in the present worth analysis.

Wiggins stated that there were minor exceptions in both bids. One major exception for both bidders was the terms and conditions. They both stated that their terms and conditions would override any of the buyers bid documents. Midwestern informed Trojan, the low bidder, that this was not an acceptable term. Trojan then sent a letter that stated they would accept the City's conditions. Midwestern recommends awarding Trojan Technologies the bid for the UV equipment in the amount of \$262,400.

Hauersperger stated that he would like the approval to be contingent upon legal review. Trojan Technologies is a Canadian company and statements in their bid make reference to solving legal disputes in their own territory. Wiggins stated that Trojan is the pioneer of UV equipment. They have done numerous projects with them and not had any problems.

Keith Masterson made a motion to approve Trojan Technologies bid for \$262,400 for the UV equipment, pending legal review. Alex Emmons seconded the motion. Motion approved, 7-0.

RISK MANAGEMENT PROGRAM (DVD-31:29)

Ernie Hinkle informed the Board that IDEM requires that a Risk Management program be done every 5 years to monitor the use of chlorine in the Water Treatment Facility. Midwestern Engineers has been hired to run this program for the Water Treatment plant.

RESULTS OF QUOTE OPENING FOR PIPE TRAILER (DVD-32:12)

Hinkle informed the Board that he reviewed the specifications for the pipe dispensing trailer and accepted the low quote from Consolidated Pipe and Supply for \$11,995.

RESULTS OF QUOTE OPENING FOR FUSION MACHINE (DVD-32:39)

Hinkle informed the Board that he reviewed the specifications for the fusion machine and accepted the low quote from Groebner for \$3,533.33.

RESULTS OF QUOTE OPENING FOR SUV (DVD-32:58)

Hinkle informed the Board that he reviewed the specifications for the SUV and accepted the low quote from Sternberg Automotive Group for the Dodge Journey for \$23,990.

NEW HIRES (DVD-33:24)

Hinkle informed the Board that he has hired two new employees, which will start in a couple of weeks. Hinkle asked for the Board's permission to keep applications for these positions active for 12 months due to the worthy applicants that applied.

Rick Stradtner made a motion to keep applications active for 12 months. Dave Hurst seconded the motion. Motion approved, 7-0.

RISK MANAGEMENT PLAN (DVD-34:15)

Attorney Kabrick asked Hinkle if approval for the contract with Midwestern Engineers for the Risk Management plan had been done at a prior meeting. Chairman Schuetter stated that the issue was discussed but never voted on. Kabrick stated that she has reviewed the terms and agrees to them.

Keith Masterson made a motion to approve the contract with Midwestern Engineers for a not-to-exceed \$1,800 to perform the Risk Management plan at the Water Treatment plant. Dave Hurst seconded the motion. Motion approved, 7-0.

GAS PLANNING COMMITTEE REPORT (DVD-35:43)

Keith Masterson, Chairman of the Gas Planning Committee, stated that the Gas Committee did not meet during the past month.

WATER PLANNING COMMITTEE REPORT (DVD-35:47)

Dave Hurst, Chairman of the Water Planning Committee, stated the committee did meet on April 30, 2014. At the meeting the Committee reviewed the change orders from ISI for the 3rd Avenue project. Additional rip rap was necessary to stabilize the existing creek crossing banks. ISI agreed to this additional work for \$40 per ton of rip-rap placed, which was a total cost of \$3,932.80. Also unanticipated welded steel casing was present on two different tie-in locations, which had to be removed. The additional cost associated with this work was \$2,897.10.

Midwestern agrees with the additional work performed and recommends paying ISI for the change order in the amount of \$5,526.65. (ISI came in \$1,303.25 under their original bid.)

Dave Hurst made a motion to approve the change order for the amount of \$5,526.65 to ISI. Keith Masterson seconded the motion. Motion approved, 7-0.

The Committee also recommends an increase in full-time inspection fees to Midwestern Engineers for \$10,000 for an additional 4 weeks or a not-to-exceed \$35,000 for engineering inspection fees for the entire project. Midwestern incurred an additional 7 weeks of inspection time on the project and total inspection fees to-date are \$49,116.57. The Board discussed the costs for the additional inspection fees in great length.

Dave Hurst made a motion to approve an additional \$10,000 or a not-to-exceed \$35,000 to Midwestern Engineers for inspection fees for the 3rd Avenue project. Ken Sendelweck seconded the motion. Motion approved, 6-1, with Alex Emmons voting against.

The Committee also reviewed the change-order request from ISI for unforeseen rock encountered during the project. The Committee discussed in great detail the issues regarding the unexpected rock. ISI thoroughly explained to the Committee their reasons for the cost and additional work. The Committee recommends a not-to-exceed \$25,000 for unforeseen encountered rock in addition to the change order for the rip-rap and steel casings.

Dave Hurst made a motion to approve the change order request from ISI for a not-to-exceed \$25,000 due to unforeseen encountered rock. Rick Stradtner seconded the motion. Motion approved, 7-0.

The Board agreed that for future circumstances regarding unforeseen project problems, the Board needs to know as they are happening.

At the Committee meeting Hauersperger also stated that the Beaver Lake report from Christopher B. Burke Engineering, LLC (CBBEL) stated that the University of Evansville's project did not help the study. The contractor price for Alternate #2 increased to \$315,000. Hauersperger stated that another Committee meeting will be scheduled to review the report.

Chairman Schuetter stated that the maintenance for Beaver Lake is split between the Utilities and the Park Department. Schuetter feels that a management plan needs to be discussed for long term care of the lake and spillway. This will be discussed at the next Water Committee meeting.

WASTEWATER PLANNING COMMITTEE REPORT (DVD-55:16)

Alex Emmons, Chairman of the Wastewater Planning Committee, stated the committee did not meet during the past month.

SOFTWARE CONVERSION OF INVENTORY MODULE COMPLETE (DVD-55:28)

Ashley Kiefer informed the Board that the inventory module software conversion has been completed. It all went smoothly and has been live and running since April 28th.

UPDATE ON INFORMATION TECHNOLOGY MASTER PLAN AGREEMENT WITH TECHNOLOGY DYNAMICS (DVD-56:07)

Hauersperger stated Brian Scott will start the assessment for the Information Technology Master Plan around June 1st. He should be finished by the end of July. After completing the assessment he will look at proceeding with the City's projects.

FINANCE COMMITTEE REPORT & PRESENTATION OF CLAIM DOCKET (DVD-56:46)

Doug Schulte reported the Finance Committee had met and reviewed the claims on the Claim Docket.

The Finance Committee recommended approval of the claims as presented with one exception, for Evoqua Water Technologies, pending a discussion/conference call and review by Attorney Kabrick and Bud Hauersperger.

Keith Masterson made a motion to approve the claims as presented. Dave Hurst seconded the motion. Motion approved, 7-0.

There being no further business to come before the Board, the meeting was adjourned at 7:58PM upon motion by Alex Emmons and second by Dave Hurst. Motion approved, 7-0.

The minutes were hereby approved _____ with X without corrections this _____ day of _____, 2014.

Attest: _____
Secretary Chairman